



*United States Attorney
Southern District of New York*



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**MANHATTAN U.S. ATTORNEY ANNOUNCES GUILTY PLEA OF
DANIELLE CHIESI TO INSIDER TRADING CHARGES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that DANIELLE CHIESI pled guilty today to three counts of conspiracy to commit securities fraud arising from an insider trading scheme. During the course of the conspiracies to which CHIESI pled guilty, the hedge fund where she worked gained profits of at least \$1.7 million from trades based on material non-public information that she received from others who misappropriated it. CHIESI pled guilty before U.S. District Judge RICHARD J. HOLWELL.

Manhattan U.S. Attorney PREET BHARARA said: "Today, Danielle Chiesi admitted to exploiting her access to valuable, non-public information to reap \$1.7 million in illegal gains. By sharing and conspiring to trade on inside information, Chiesi compromised the companies she sold out and distorted the market for their stocks. Today's plea should send yet another strong message that we have zero tolerance for privileged professionals who game the system and who think the rules apply only to everyone else. We will continue working with the FBI, and alongside the U.S. Securities and Exchange Commission, to pursue cases against those who commit insider trading and compromise the integrity of our financial markets."

According to the Indictment, a Complaint previously filed in this case, and statements made during today's guilty plea proceeding:

DANIELLE CHIESI was an employee of New Castle Funds, LLC ("New Castle"), formerly the equity hedge fund group of Bear Stearns Asset Management, Inc.; RAJ RAJARATNAM was the Managing Member of Galleon Management, LLC ("Galleon"); MARK KURLAND was a top executive at New Castle; ROBERT MOFFAT was Senior Vice President and Group Executive at International Business Machines Corporation ("IBM"). CHIESI, KURLAND, and allegedly RAJARATNAM and others repeatedly shared and traded on material, nonpublic

information given as tips by insiders such as MOFFAT at public companies and hedge funds -- including information concerning Advanced Micro Devices ("AMD"), IBM, and Sun Microsystems.

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CHIESI, 45, pled guilty to three counts of conspiracy to commit securities fraud. Each count carries a maximum sentence of five years in prison and a maximum fine of \$250,000, or twice the gross gain or loss from the offense.

CHIESI is scheduled to be sentenced by Judge HOLWELL on May 13, 2011, at 2:00 p.m..

MOFFAT and KURLAND have both previously pled guilty and been sentenced. Charges against RAJARATNAM remain pending and are merely accusations. He is presumed innocent unless and until proven guilty.

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Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation. He thanked the U.S. Securities and Exchange Commission for its assistance in this matter.

This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Assistant U.S. Attorneys JONATHAN R. STREETER and REED M. BRODSKY, and Special Assistant U.S. Attorney ANDREW Z. MICHAELSON are in charge of the prosecution.

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